

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

----- X  
GOTTBETTER CAPITAL MASTER, LTD.  
(In Liquidation),

Plaintiff,

-against-

CHARYS HOLDING COMPANY, INC.,

Defendant.  
----- X

Civil Action No.  
1:07-cv-11374 (GEL)

(ECF)

**ADAM S. GOTTBETTER**  
**REPLY AFFIDAVIT**

STATE OF NEW YORK     )  
                                      : ss.:  
COUNTY OF NEW YORK    )

ADAM S. GOTTBETTER, being duly sworn hereby deposes and says:

1. I am the CEO of Gottbetter Capital Management, L.P., advisors to plaintiff Gottbetter Capital Master, Ltd. (in liquidation) ("GCM"). As such, the statements set forth below are based upon my personal knowledge, except where I have stated that they are based upon "information and belief," in which case I believe, in good faith, the same to be true.

2. I provided testimony in support of GCM's motion for summary judgment pursuant to Fed. R. Civ. P. 56, by affidavit sworn to on November 13, 2007 (the "Gottbetter Aff."). I submit this affidavit in further support of GCM's motion.

**EVENT OF DEFAULT REDEMPTION PRICE**

3. GCM's calculation of the Event of Default Redemption Price as of October 30, 2007, and the basis for that calculation under the Note, was set forth in great detail in my moving affidavit.<sup>1</sup> Gottbetter Aff., ¶¶ 10-18, 21, 23, Ex. D.

<sup>1</sup> All capitalized terms used herein shall have the same meaning ascribed to those terms in the Gottbetter Aff. and the Note, unless stated otherwise herein.

4. Relying on precisely the same contract terms and formula, GCM has adjusted its calculation of the Event of Default Redemption Price to account for Interest and Late Charges accruing post-October 30, 2007. Id.; see also the Event of Default Redemption Calculation Summary attached hereto as Exhibit 1.

5. As of February 1, 2008, the Event of Default Redemption Price totaled \$10,149,361, calculated as follows:

Outstanding Principal:	\$7,670,365 (+)
Accrued Default Interest:	\$ 535,875 (+)
Accrued Late Charges:	<u>\$ 251,561 (+)</u>
	= \$8,457,801

X

(the Redemption Premium of 120%) = \$10,149,361.<sup>2</sup> (Id.)

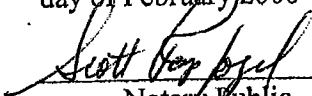
#### ATTORNEYS' FEES


6. As set forth in my moving affidavit, GCM is entitled to all costs and expenses incurred in the enforcement of the Note including, but not limited to, reasonable attorneys' fees and disbursements. Gottbetter Aff., ¶ 26, Ex. A, § 19.

7. As of January 31, 2008, GCM had incurred cost and expenses including reasonable attorneys' fees and disbursements totaling no less than \$68,916.69.

8. Attached hereto as Exhibits 2, 3, 4, and 5 are redacted copies of the invoices for October 2007, November 2007, December 2007, and January 2008 received from GCM's attorneys, Sullivan & Worcester LLP, for services rendered in this matter.

Sworn to before me this 13th  
day of February 2008

  
Notary Public

  
SCOTT RAPFOGEL  
Notary Public, State of New York  
No. 02RA6094568  
Qualified in New York County  
Commission Expires June 23, 2011

<sup>2</sup> The above amount does not include Interest and Late Charges accruing post-February 1, 2008.

# **EXHIBIT 1**

**Gottbetter Capital Management LP**  
**Event of Default Redemption Calculation Summary**

Terms of Note	
Issuance Date	4/30/2007
Principal Amount	\$ 8,354,043
Interest Rate	8.75%
Default Rate	15.00%
Late Charge	18.00%
Redemption as of	2/1/2008

**Application of Prior Payments**

Event Date	Beginning Principal	Scheduled Payment	Accumulated Interest	Accumulated Default Interest	Amount Paid to Principal	Ending Principal
5/15/2007	\$ 8,354,043	\$ 500,000	\$ 30,040	\$ -	\$ 469,960	\$ 7,884,083 <sup>1</sup>
7/2/2007	7,884,083	447,664	90,721	-	-	7,884,083 <sup>2</sup>
8/1/2007	7,884,083	847,478	-	97,201	-	7,884,083 <sup>3</sup>
8/10/2007	7,884,083	-	-	29,160	-	7,884,083 <sup>4</sup>
8/15/2007	7,884,083	-	-	16,200	213,718	7,670,365 <sup>5</sup>

**Notes**

<sup>1</sup> Charys paid \$500,000 on 5/15/07.

<sup>2</sup> Installment Amount Not Received / Event of Default.

<sup>3</sup> Installment Amount Not Received / Event of Default.

<sup>4</sup> Charys paid \$200,000 on 8/10/07: (\$90,721) applied to accumulated interest / (\$109,279) applied to accumulated default interest.

<sup>5</sup> Charys paid \$247,000 on 8/15/07: (\$33,282) applied to accumulated default interest / (\$213,718) applied to principal.

**Event of Default Redemption Calculation**

Interest Due Through 2/1/2008		
Dates	Outstanding Principal	Default Interest
8/15/2007 to 2/1/08	\$ 7,670,365	\$ 535,875
Late Charges Due Through 2/1/2008		
Date	Principal Due	Late Charge
7/2/2007	\$ 388,833	\$ 8,087 <sup>1</sup>
	175,115	14,681 <sup>2</sup>
8/1/2007	791,777	71,846
9/3/2007	676,363	50,366
10/1/2007	677,897	41,120
11/1/2007	676,553	30,695
12/3/2007	783,639	23,187
1/2/2008	782,633	11,579
Total Late Charges	\$	251,561
Default Interest	\$	535,875
Late Charges		251,561
Conversion Amount		7,670,365
Subtotal	\$	8,457,801
Redemption Premium		120%
Redemption Price	\$	10,148,361

<sup>1</sup> Late Charge applied through time of partial payment on 8/15/07.

<sup>2</sup> Late Charge applied post-time of partial payment on 8/15/07.

**Submitted without prejudice to further adjustment**

## **EXHIBIT 2**

**SULLIVAN &  
WORCESTER**

1290 Avenue of the Americas, New York, New York 10104  
Telephone: 212-660-3000, Facsimile: 212-660-3001  
Federal Tax I.D. 04-2387531

**Remittance Address:**  
Sullivan & Worcester LLP  
One Post Office Square  
Boston, MA 02109

Gottbetter Capital Management, LP  
488 Madison Ave., 12th Floor  
New York, NY 10022

Invoice Date: November 21, 2007  
Invoice Number: 8071657

---

**FOR PROFESSIONAL SERVICES** rendered through October 31, 2007

**Matter**  
21381.0001 RE: Charys Holding Company, Inc.

Matter Fees \$7,484.00

Matter Disbursements 39.42

**MATTER TOTAL** **\$7,523.42**

Includes only fees and disbursements posted through October 31, 2007  
Invoices are payable upon receipt

**BOSTON**

**NEW YORK**

**WASHINGTON, DC**

Gottbetter Capital Management, LP  
Page 2

Invoice Date: November 21, 2007  
Invoice Number: 8071657

Matter  
21381.0001

RE: Charys Holding Company, Inc.

Matter Fees

<u>Date</u>	<u>Tkpr</u> <u>Code</u>	<u>Hours</u>
10/12/07	NAG	0.10
10/16/07	NAG	0.70
10/19/07	JMJ	2.00
10/19/07	NAG	4.80
REDACTED		
10/22/07	NAG	5.00
10/23/07	JMJ	0.50
10/23/07	NAG	4.30

Matter Fees Total

7,484.00

Gottbetter Capital Management, LP  
Page 3

Invoice Date: November 21, 2007  
Invoice Number: 8071657

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**Matter Disbursements**

Express Delivery	29.22
Facsimile	4.00
Reproduction-Internal	<u>6.20</u>
<b>Matter Disbursements Total</b>	<b>39.42</b>

**MATTER TOTAL** **\$7,523.42**



**SULLIVAN &  
WORCESTER**

**Remittance Address:**

One Post Office Square, Boston, Massachusetts 02109  
Telephone: 617 338-2800, Facsimile: 617 338-2880  
Federal Tax I.D. 04-2387531

**Wire/ACH Instructions:**  
Bank of America

**REDACTED**  
Sullivan & Worcester LLP

**REDACTED**

Gottbetter Capital Management, LP  
488 Madison Ave., 12th Floor  
New York, NY 10022

Invoice Date: November 21, 2007  
Invoice Number: 8071657

---

**REMITTANCE COPY  
PLEASE INCLUDE WITH PAYMENT**

**IF WIRING THE FUNDS,  
PLEASE REFERENCE INVOICE NUMBER OR MATTER NUMBER**

**Matter**  
21381.0001 RE: Charys Holding Company, Inc.

Matter Fees	\$7,484.00
Matter Disbursements	<u>39.42</u>
<b>MATTER TOTAL</b>	<b><u>\$7,523.42</u></b>

Includes only fees and disbursements posted through October 31, 2007  
Invoices are payable upon receipt

**BOSTON**

**NEW YORK**

**WASHINGTON, DC**

**SULLIVAN &  
WORCESTER**

1290 Avenue of the Americas, New York, New York 10104  
Telephone: 212-660-3000, Facsimile: 212-660-3001  
*Federal Tax I.D. 04-2387531*

**Remittance Address:**  
Sullivan & Worcester LLP  
One Post Office Square  
Boston, MA 02109

Gottbetter Capital Management, LP  
488 Madison Ave., 12th Floor  
New York, NY 10022

Invoice Date: November 21, 2007  
Invoice Number: 8071658

---

**FOR PROFESSIONAL SERVICES** rendered through October 31, 2007

**Matter**

21381.0004

RE: Charys Holding Company, Inc. - Litigation

Matter Fees

\$6,478.00

**MATTER TOTAL**

**\$6,478.00**

Includes only fees and disbursements posted through October 31, 2007  
Invoices are payable upon receipt

**BOSTON**

**NEW YORK**

**WASHINGTON, DC**

Gottbetter Capital Management, LP  
Page 2

Invoice Date: November 21, 2007  
Invoice Number: 8071658

**Matter**  
**21381.0004**      **RE: Charys Holding Company, Inc. - Litigation**

**Matter Fees**

<u>Date</u>	<u>Tkpr</u> <u>Code</u>	<u>Hours</u>
10/26/07	NAG	4.80
10/29/07	NAG	5.30
10/30/07	NAG	5.50
10/31/07	NAG	0.20
<b>Matter Fees Total</b>		<b>6,478.00</b>
<b>MATTER TOTAL</b>		<b>\$6,478.00</b>

**SULLIVAN &  
WORCESTER**

**Remittance Address:**

One Post Office Square, Boston, Massachusetts 02109  
Telephone: 617 338-2800, Facsimile: 617 338-2880  
*Federal Tax I.D. 04-2387531*

**Wire/ACH Instructions:**  
Bank of America

**REDACTED**  
Sullivan & Worcester LLP

**REDACTED**

Gottbetter Capital Management, LP  
488 Madison Ave., 12th Floor  
New York, NY 10022

Invoice Date: November 21, 2007  
Invoice Number: 8071658

---

**REMITTANCE COPY  
PLEASE INCLUDE WITH PAYMENT**

**IF WIRING THE FUNDS,  
PLEASE REFERENCE INVOICE NUMBER OR MATTER NUMBER**

**Matter**

21381.0004

RE: Charys Holding Company, Inc. - Litigation

Matter Fees

\$6,478.00

**MATTER TOTAL**

**\$6,478.00**

Includes only fees and disbursements posted through October 31, 2007  
Invoices are payable upon receipt

**BOSTON**

**NEW YORK**

**WASHINGTON, DC**

## **EXHIBIT 3**

# SULLIVAN & WORCESTER

1290 Avenue of the Americas, New York, New York 10104  
Telephone: 212-660-3000, Facsimile: 212-660-3001  
Federal Tax I.D. 04-2387531

Remittance Address:  
Sullivan & Worcester LLP  
One Post Office Square  
Boston, MA 02109

Gottbetter Capital Management, LP  
488 Madison Ave., 12th Floor  
New York, NY 10022

Invoice Date: December 17, 2007  
Invoice Number: 8073213

---

**FOR PROFESSIONAL SERVICES** rendered through November 30, 2007

**Matter**

21381.0004

RE: Charys Holding Company, Inc. - Litigation

Matter Fees \$18,482.00

Matter Disbursements 749.27

**MATTER TOTAL** **\$19,231.27**

Includes only fees and disbursements posted through November 30, 2007  
Invoices are payable upon receipt

BOSTON

NEW YORK

WASHINGTON, DC

Gottbetter Capital Management, LP  
Page 2

Invoice Date: December 17, 2007  
Invoice Number: 8073213

**Matter****21381.0004****RE: Charys Holding Company, Inc. - Litigation****Matter Fees**

<u>Date</u>	<u>Tkpr</u> <u>Code</u>	<u>Hours</u>
11/2/07	NAG	0.20
11/4/07	NAG	2.50
11/5/07	NAG	4.00
11/6/07	NAG	1.60
11/7/07	NAG	2.80
11/7/07	RIL	0.10
11/8/07	RIL	0.30
11/8/07	NAG	4.40
11/9/07	NAG	4.20
11/10/07	NAG	4.00
11/11/07	NAG	4.50

Gottbetter Capital Management, LP  
Page 3

Invoice Date: December 17, 2007  
Invoice Number: 8073213

<u>Date</u>	<u>Tkpr Code</u>	<u>Hours</u>
11/12/07	NAG	7.40

11/12/07	EAS	1.70
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11/12/07	RIL	0.50
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11/13/07	RIL	5.90
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11/13/07	NAG	3.20
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**REDACTED**

11/14/07	NAG	0.10
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11/15/07	NAG	0.10
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11/15/07	BRC	1.30
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11/16/07	BRC	0.30
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11/19/07	NAG	0.20
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11/30/07	NAG	0.20
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**Matter Disbursements**

**Matter Fees Total**

**18,482.00**

Express Delivery	65.29
Court Filings	305.00
Reproduction-Internal	170.80
Telephone- Long Distance	0.75
Velobind	35.00
Westlaw	<u>172.43</u>

**MATTER TOTAL**

**Matter Disbursements Total**

**749.27**

**\$19,231.27**



**SULLIVAN &  
WORCESTER**

**Remittance Address:**

One Post Office Square, Boston, Massachusetts 02109  
Telephone: 617 338-2800, Facsimile: 617 338-2880  
Federal Tax I.D. 04-2387531

**Wire/ACH Instructions:**  
Bank of America

**REDACTED**  
Sullivan & Worcester LLP

**REDACTED**

Gottbetter Capital Management, LP  
488 Madison Ave., 12th Floor  
New York, NY 10022

Invoice Date: December 17, 2007  
Invoice Number: 8073213

---

**REMITTANCE COPY  
PLEASE INCLUDE WITH PAYMENT**

**IF WIRING THE FUNDS,  
PLEASE REFERENCE INVOICE NUMBER OR MATTER NUMBER**

**Matter**

21381.0004

RE: Charys Holding Company, Inc. - Litigation

Matter Fees \$18,482.00

Matter Disbursements 749.27

**MATTER TOTAL \$19,231.27**

Includes only fees and disbursements posted through November 30, 2007  
Invoices are payable upon receipt

**BOSTON**

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**WASHINGTON, DC**

## **EXHIBIT 4**

**SULLIVAN &  
WORCESTER**

1290 Avenue of the Americas, New York, New York 10104  
Telephone: 212-660-3000, Facsimile: 212-660-3001  
Federal Tax I.D. 04-2387531

**Remittance Address:**  
Sullivan & Worcester LLP  
One Post Office Square  
Boston, MA 02109

Gottbetter Capital Management, LP  
488 Madison Ave., 12th Floor  
New York, NY 10022

Invoice Date: January 31, 2008  
Invoice Number: 8075283

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**FOR PROFESSIONAL SERVICES rendered through December 31, 2007**

**Matter**  
21381.0004 RE: Charys Holding Company, Inc. - Litigation

Matter Fees \$17,199.50

Matter Disbursements 1,751.33

**MATTER TOTAL \$18,950.83**

Includes only fees and disbursements posted through December 31, 2007  
Invoices are payable upon receipt

**BOSTON**

**NEW YORK**

**WASHINGTON, DC**

Gottbetter Capital Management, LP  
Page 2

Invoice Date: January 31, 2008  
Invoice Number: 8075283

Matter  
21381.0004

RE: Charys Holding Company, Inc. - Litigation

Matter Fees

<u>Date</u>	<u>Tkpr</u> <u>Code</u>	<u>Hours</u>
12/5/07	NAG	0.80
12/6/07	NAG	0.10
12/7/07	RIL	1.70
12/11/07	EAS	2.90
12/12/07	EAS	1.10
12/13/07	NAG	0.20
12/13/07	EAS	0.10
12/14/07	NAG	0.70
12/14/07	EAS	3.80
12/17/07	NAG	0.20
12/18/07	NAG	0.80
12/19/07	NAG	0.20
12/19/07	BRC	0.50
12/20/07	BRC	2.10
12/20/07	BRC	0.40

REDACTED

Gottbetter Capital Management, LP  
Page 3

Invoice Date: January 31, 2008  
Invoice Number: 8075283

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<u>Date</u>	<u>Tkpr</u> <u>Code</u>	<u>Hours</u>
12/20/07	NAG	0.70
12/21/07	NAG	3.00
12/26/07	NAG	5.20
REDACTED		
12/27/07	NAG	4.00
12/28/07	NAG	6.30
12/29/07	EAS	2.00

Gottbetter Capital Management, LP  
Page 4Invoice Date: January 31, 2008  
Invoice Number: 8075283

<u>Date</u>	<u>Tkpr</u> <u>Code</u>	<u>Hours</u>
12/30/07	NAG	2.50

12/31/07	NAG	6.00
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**REDACTED**

12/31/07	EAS	2.40
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<b>Matter Fees Total</b>	<b>17,199.50</b>
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**Matter Disbursements**

Court Service Fee	24.75
Reproduction-Internal	211.60
Service of Process	450.00
Telephone- Long Distance	1.35
Velobind	70.00
Westlaw	<u>993.63</u>

<b>Matter Disbursements Total</b>	<b>1,751.33</b>
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<b>MATTER TOTAL</b>	<b>\$18,950.83</b>
---------------------	--------------------

**SULLIVAN &  
WORCESTER**

**Remittance Address:**

One Post Office Square, Boston, Massachusetts 02109  
Telephone: 617 338-2800, Facsimile: 617 338-2880  
*Federal Tax I.D. 04-2387531*

**Wire/ACH Instructions:**  
Bank of America

**REDACTED**

Sullivan & Worcester LLP

**REDACTED**

Gottbetter Capital Management, LP  
488 Madison Ave., 12th Floor  
New York, NY 10022

Invoice Date:

January 31, 2008

Invoice Number:

8075283

---

**REMITTANCE COPY  
PLEASE INCLUDE WITH PAYMENT**

**IF WIRING THE FUNDS,  
PLEASE REFERENCE INVOICE NUMBER OR MATTER NUMBER**

**Matter**

21381.0004

RE: Charys Holding Company, Inc. - Litigation

Matter Fees \$17,199.50

Matter Disbursements 1,751.33

**MATTER TOTAL \$18,950.83**

Includes only fees and disbursements posted through December 31, 2007  
Invoices are payable upon receipt

**BOSTON**

**NEW YORK**

**WASHINGTON, DC**

## **EXHIBIT 5**



**SULLIVAN &  
WORCESTER**

1290 Avenue of the Americas, New York, New York 10104  
Telephone: 212-660-3000, Facsimile: 212-660-3001  
*Federal Tax I.D. 04-2387531*

**Remittance Address:**  
Sullivan & Worcester LLP  
One Post Office Square  
Boston, MA 02109

Gottbetter Capital Management, LP  
488 Madison Ave., 12th Floor  
New York, NY 10022

Invoice Date: February 11, 2008  
Invoice Number: 8075493

---

**FOR PROFESSIONAL SERVICES rendered through January 31, 2008**

**Matter**

21381.0004

RE: Charys Holding Company, Inc. - Litigation

Matter Fees \$15,048.00

Matter Disbursements 1,685.17

**MATTER TOTAL \$16,733.17**

Includes only fees and disbursements posted through January 31, 2008  
Invoices are payable upon receipt

**BOSTON**

**NEW YORK**

**WASHINGTON, DC**

Gottbetter Capital Management, LP  
Page 2

Invoice Date: February 11, 2008  
Invoice Number: 8075493

Matter  
21381.0004

RE: Charys Holding Company, Inc. - Litigation

Matter Fees

<u>Date</u>	<u>Tkpr Code</u>	<u>Hours</u>
12/12/07	HEL	2.00
1/1/08	NAG	2.00
1/2/08	EAS	1.70
1/4/08	NAG	0.20
1/9/08	NAG	1.20
<b>REDACTED</b>		
1/10/08	NAG	7.40
1/10/08	EAS	0.40
1/10/08	HEL	3.50
1/11/08	HEL	1.00
1/11/08	NAG	4.00
1/11/08	RIL	4.30
1/14/08	BRC	0.70
1/15/08	BRC	0.40
1/16/08	NAG	0.80

## Sullivan &amp; Worcester LLP

Gottbetter Capital Management, LP  
Page 3

Invoice Date: February 11, 2008  
Invoice Number: 8075493

<u>Date</u>	<u>Tkpr Code</u>	<u>Hours</u>
1/18/08	NAG	0.30
1/22/08	BRC	0.40
1/25/08	NAG	0.80
1/28/08	BRC	0.70
1/28/08	NAG	3.50

**REDACTED**

1/29/08	NAG	1.50
1/29/08	BRC	0.50
1/29/08	JGK	0.90
1/29/08	RIL	0.50
1/30/08	NAG	1.00
1/31/08	NAG	0.70

**Matter Fees Total** 15,048.00

**Matter Disbursements**

Express Delivery	22.02
Filing Fees	95.00
Reproduction-Internal	210.80
Westlaw	<u>1,357.35</u>

**Matter Disbursements Total** 1,685.17

**MATTER TOTAL** \$16,733.17

**SULLIVAN &  
WORCESTER**

**Remittance Address:**

One Post Office Square, Boston, Massachusetts 02109  
Telephone: 617 338-2800, Facsimile: 617 338-2880  
*Federal Tax I.D. 04-2387531*

**Wire/ACH Instructions:**  
Bank of America

**REDACTED**

Sullivan & Worcester LLP

**REDACTED**

Gottbetter Capital Management, LP  
488 Madison Ave., 12th Floor  
New York, NY 10022

Invoice Date:  
Invoice Number:

February 11, 2008  
8075493

---

**REMITTANCE COPY  
PLEASE INCLUDE WITH PAYMENT**

**IF WIRING THE FUNDS,  
PLEASE REFERENCE INVOICE NUMBER OR MATTER NUMBER**

**Matter**

21381.0004

RE: Charys Holding Company, Inc. - Litigation

Matter Fees	\$15,048.00
Matter Disbursements	<u>1,685.17</u>
<b>MATTER TOTAL</b>	<b><u>\$16,733.17</u></b>

Includes only fees and disbursements posted through January 31, 2008  
Invoices are payable upon receipt

**BOSTON**

**NEW YORK**

**WASHINGTON, DC**